

MINUTE ITEM

16. (ASSIGNMENT OF PARTIAL INTEREST, OIL AND GAS LEASE P.R.C. 2207.1, PAULEY PAN-AMERICAN COMPANY, SANTA BARBARA COUNTY - W. O. 3042(A).)

After presentation of Calendar Item 28 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE ASSIGNMENT OF A PARTIAL INTEREST IN STATE OIL AND GAS LEASE P.R.C. 2207.1 FROM PAULEY PAN-AMERICAN COMPANY TO PAULEY PETROLEUM, INC., SUBJECT TO SUBMISSION OF PROPER BOND BY THE ASSIGNEE. THE ASSIGNEE IS TO BE BOUND BY THE TERMS OF THE LEASE TO THE SAME EXTENT AS THE ORIGINAL LESSEE.

Attachment

Calendar Item 28 (1 page)

CALENDAR ITEM

OIL & GAS

28.

(ASSIGNMENT OF PARTIAL INTEREST, OIL AND GAS LEASE P.R.C. 2207.1, PAULEY PAN-AMERICAN COMPANY, SANTA BARBARA COUNTY - W. O. 3042(A).)

On July 25, 1958 Oil and Gas Lease P.R.C. 2207.1 was issued to Phillips Petroleum Company, Edwin W. Pauley, et al. (see Exhibit "A" attached to Calendar Item 10 for complete list of bidders), joint bidders, pursuant to competitive public bidding in accordance with Division 6 of the Public Resources Code.

An application has been received from the Pauley Pan-American Company, a joint lessee, for the assignment of its interest in Lease P.R.C. 2207.1 to Pauley Petroleum, Inc., a Delaware corporation.

Section 4 of the lease provides for the assignment as to either a divided or undivided interest in the lease with the approval of the State to a corporation which at the time of the proposed assignment possesses the qualifications required by the Public Resources Code. Pauley Petroleum, Inc. has submitted evidence showing that it possesses the qualifications necessary to satisfy the statutory requirements. The bond obligations required by the lease will have to be met by the assignee. A form of assignment has been executed by Pauley Pan-American Company, assignor, and Pauley Petroleum, Inc., assignee. The \$5 statutory filing fee has been paid by the applicant.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE ASSIGNMENT OF A PARTIAL INTEREST IN STATE OIL AND GAS LEASE P.R.C. 2207.1 FROM PAULEY PAN-AMERICAN COMPANY TO PAULEY PETROLEUM, INC., SUBJECT TO SUBMISSION OF PROPER BOND BY THE ASSIGNEE. THE ASSIGNEE IS TO BE BOUND BY THE TERMS OF THE LEASE TO THE SAME EXTENT AS THE ORIGINAL LESSEE.